



CYPRUS SECURITIES AND EXCHANGE COMMISSION

Memorandum of Understanding between the Cyprus Securities and Exchange Commission and the Dubai Financial Services Authority

The Cyprus Securities and Exchange Commission (CYSEC) signed today a Memorandum of Understanding (MoU) with the Dubai Financial Services Authority (DFSA).

The main aims of the signing of the MoU are:

- the establishment of a framework and procedures for the exchange of information between the two Authorities, and
- the enhancement of cooperation in surveillance and investigations carried out from time to time by the two Authorities, in respect to market abuse cases, provision of investment services whilst unlicensed and other potential violations of the Law and Regulations of the Capital Market.

The MoU was signed at a special ceremony in Nicosia by the Chairman of the CYSEC, Mr. Georgios Charalambous, and Mr. David Knott, the Chief Executive of the DFSA during his visit to Nicosia.

During his speech at the ceremony, Mr. Charalambous made reference to the recent crisis that causes turbulence in the international financial market and highlighted the greater risks for the investors arising from the newly-created and more complicated corporate structures and financial products, the liberalization of the capital movements and the widespread use of modern technology for the promotion of cross border investments. In view of the above, the Chairman of the CySEC, underlined the need for enhanced cooperation between the Regulatory Authorities aiming to more efficient and reliable workings of the capital markets. Finally, Mr Charalambous stressed that the CySEC recognises the increased importance and role of the Dubai Financial Services Authority and places highly the bilateral bonds with the corresponding Securities Authority in Dubai, as an important building block for the promotion and maintenance of financial stability in the region.

During the ceremony, Mr Knott underlined that, having in mind the number of Cypriot investment services providers offering investment services also in Dubai, “the signing of the MoU is an important initiative which will assist the two Authorities in information

exchange and further cooperation between them” as they are both Regulatory Authorities responsible for supervising the aforementioned companies.

Mr Knott also added that Cyprus, being a member-state of the European Union, actively participates in the workings of the Committee of European Securities Regulators (CESR), adopting and applying the European and internationally accepted standards and supervision practices, to assure the most effective and efficient regulation and supervision of the capital market.

Monday, 19 May 2008